GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5299
ANSWERED ON:22.12.2000
FINANCIAL INVESTMENT IN BIHAR
MOHAMMED SHAHABUDDIN

Will the Minister of FINANCE be pleased to state:

(a) whether the investment made by the financial institutions in Bihar is very low as compared to other States;

(b) if so, whether only 1.3% of the financial assistance sanctioned by these institutions was provided to the Bihar upto March 1997;

(c) if so, the reasons for making low investment by these institutions in Bihar;

(d) whether the Government propose to take concrete steps to make proportionate investment by these institutions in Bihar; and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a): Assistance sanctioned and disbursed by the all India Financial Institutions (AIFIs) to Bihar has been lower as compared to many States in the country.

(b): The cumulative assistance sanctioned by AIFIs upto end March, 1997 to Industries in Bihar aggregated to Rs.3928.7 crores which works out to be 1.23% of the total assistance to all the states. Disbursement in Bihar however, constituted 1.4% of the total disbursements to all States.

(c),(d) & (e): Financial Institutions provide financial assistance to all viable industrial projects irrespective of their location. However, the extent of assistance to any particular State depends upon various factors including the flow of worthwhile investment proposals, level of infrastructure facility, incentives from the State Government, availability of raw material, skilled labour, proximity to market, credit absorption capacity and level of entrepreneurship in the State.